

**CJC Exchange** is a weekly newsletter from **Campbell Johnston Clark**, incorporating with kind permission from **Gibson Shipbrokers** the most recent issue of the Gibson Sale & Purchase Market Report. A blend of market intelligence and relevant industry news, CJC Exchange is distributed free of charge to parties on the CJC mailing list who have given permissions to receive S&P updates from CJC. CJC Exchange is available to new subscribers [here](#).

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## Gibson Sale & Purchase Market Report



*With over 125 years of expertise Gibson Shipbrokers is a leading provider of Sale & Purchase, Newbuildings, Recycling and Ship Valuation services.  
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### DRY CARGO – The Jury's Out

Unsurprisingly there does seem to be some fallout from the uncertain freight markets in terms of sale and purchase transactions. Again, volume is down and some market commentators have voiced the opinion that the market is set for a softening in prices. For instance the reported sale of the panamax **"BERLIN"** (76,524 dwt/blt 2009 Shin Kasado, Japan) to Panagea at US\$19.8m could be considered a drop in benchmark values, but it is worth mentioning that this dip could be attributed to the forward delivery. Certainly, there are other examples of prices now being discounted with forward delivery as also with the case of recent sale of the **"SUNLEAF GRACE"** (61,683 dwt/built 2011 Oshima Zosen, Japan). When the market was in the throes of a firming freight market this obviously had less of a bearing.

With that said, we are aware of a number of negotiations going on but it is clear that buyers are not offering aggressively and sellers' expectations of pushing prices to new highs will have to be moderated if they are going to get the deal done. For instance, our reported sale of the **"OCEAN ROSEMARY"** (82,265 dwt/blt 2013 Dalian No.2, China) last week at US\$23.2m now appears premature and vessel is still slowly negotiating. In these circumstances the most obvious platform to illustrate buyers' restrained attitude is an auction situation and this is demonstrated by yesterday's judicial sale of the **"SHANDONG HAI TONG"** (56,724 dwt/blt 2012 Jiangsu Jinling, China) at US\$16.71, whereas the sister was sold at auction in October for US\$17.1m.

### RECYCLING – Red Hot Demo Prices

Recycling markets across the board are red hot post the Diwali celebrations with improvements now heading well into the mid US\$ 600's! The ongoing and continued lack of vessels for scrap has kept buyers starving of tonnage and the steel prices in Bangladesh and Pakistan rising tremendously. End buyers in Bangladesh are extremely bullish on prices as they anticipate the lack of tonnage to continue until end of the year and possibly even further into 2022. The situation is similar in Pakistan as end buyers seem willing to pay a premium in order to acquire some much tonnage to keep their yards busy. Surprisingly, the Alang market is stagnating as demand for local steel has diminished the

past few weeks. Overall sentiments still remain positive, however end buyers are unable to compete with their sub-Cont counterparts for the moment. Interestingly, Turkish demo prices have also firmed considerably with rates for some specialised units into the US\$400's which may open the eyes of some owners looking to take advantage of taking their tonnage to Aliaga for Green Recycling. With the anticipation of tanker freight markets improving through the winter months and most dry/container vessels on long term charters well into 2022, we believe the lack of supply for recycling tonnage will no doubt keep steel and ship scrap prices high.

## TANKERS – MR Swoop

It's been a challenge separating true MR sales from the rumours this week with some reports jumping the gun, although there appears to be a few deals in the offing. No price has yet been attached to the **"STAR KESTREL"** (51,228 dwt/blt 2008 STX Jinhae), yet one might expect it to be age proportional to Tufton's sister sale last week of year older **"STAR EAGLE"** (blt 2007) at US\$11.25m, or higher price of US\$11.75m reported by some, taking it into the US\$12.5-13m range, which wouldn't seem too outlandish if rumours are correct of other 2009 STX built units alleged seeing US\$17m, albeit it with BWTS and Scrubbers factored in. By contrast, another Winson Oil owned pump-room MR **"ANGEL 62"** (47,410 dwt/blt 2009 Onomichi) has flown the nest at region US\$13m (no BWTS), following the three year older uncoiled pump-room **"ANGEL 61"** (48,635 dwt/blt 2006 Iwagi) last week at US\$9.8m.

Meanwhile, chemical tankers continue to have a moment in the sun with Belgium's CMB understood to have modified a smaller dwt stainless steel tanker order at China Merchants Jinling, placed earlier in the year, up to 25,000 dwt and newly declaring two options to a total of four units. Germany's E&S tankers is also understood to have picked up the stainless steel trio of **"BOW DALIAN" + "BOW FILING" + "BOW NANYANG"** (9,125 dwt/blt 2012-2013 Chongqing Chuandong) for a reported US\$8m each. Nanjing Yangyang Chemical Transport has also been rather busy hoovering up a pair of epoxy coated chemical tanker, namely **"LT CRYSTAL" + "LT DIAMOND"** (13,200 dwt/both blt 2021 Dayang Offshore) for high USD16m apiece and simultaneously penning a pair of 13,000 dwt units at the same shipbuilder, Dayang Offshore, for 2023 delivery.

## NEWBUILDING – Containers Continue

Further container enquiry continues to stalk remaining 2024 capacity at the Korean yards, which blocks opportunities for tankers. Many tanker owners remain sceptical that all container orders will be built and may return to the market as tanker slots. However, many orders are backed by T/C from the major container lines (themselves backed by state financing) and so in the event of a container market crash it may be an industry wide "reneg" on T/Cs from today's levels rather than defaults as we have seen historically in shipping sector in downturns. We therefore do not see a large potential for 2024 capacity to return to the market as tanker slots under such a scenario, however some potential for optional slots perhaps. From a purely tanker mindset, the absence of shipyard capacity should be good in terms of limiting fleet supply but may well pressure second-hand pricing, which in turn may well lift demand for the limited 2024 capacity of tanker slots available.

Bulker enquiry remains subdued as owners take stock of the increased price levels of both second-hand and newbuilding. However, the medium size bulkers continue to earn well, and it may be the case that we see another run on the yards for the last 2023 slots as cheaper alternative to second-hand.

## Gibson Sale & Purchase Market Report

### S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						
BAO MAY	178,050	2010	SWS (CHN)	Undisclosed buyer	31.5	SS psd 5/20. BWTS fitted.
BERLIN	76,524	2009	Shin Kasado (JPN)	Panagea	19.9	DD psd 8/21. BWTS fitted. Dely 3/22.
NAUTICAL ALICE	63,800	2016	Jiangsu New Hantong (CHN)	Undisclosed buyer	28.5	SS psd 6/21. BWTS+Scrubber. Dely by 3/22.
SUNLEAF GRACE	61,683	2011	Oshima Zosen (JPN)	Singaporean buyer	21.5	DD psd 4/21. BWTS due 8/22. Dely 3-5/22.
IKAN SENYUR	61,494	2010	Shin Kasado (JPN)	Undisclosed buyer	22.8	SS psd 8/20.
SHANDONG HAI TONG	56,724	2012	Jiangsu Jinling (CHN)	Undisclosed buyer	16.71*	*Auction sale. SS due 5/22.
PACIFIC BLESS	56,361	2012	Jiangsu Hantong (CHN)	Undisclosed buyer	19.8	SS due 9/22. Dely 3/22.
BLUEWAYS	46,658	1998	Mitsui (JPN)	Undisclosed buyer	8	BWTS due 1/22.
DIAMOND LAND	35,079	2004	CIC Jiangsu (CHN)	Undisclosed buyer	15.8	1874 TEU. DD due 9/22.
ORIENT ACCORD + ORIENT TADER + ORIENT TRANSIT + ORIENT TIGER + ORIENT TRAIL	33,750 33,750	all 2010 both 2011	Samjin (CHN)	Union Maritime	72 en bloc	Sold 18/10/21.
SPRING BREEZE	33,600	2013	Jiangsu Yangzijiang (CHN)	Undisclosed buyer	high 15	Inc. TC \$13.5k pd to 8/22. BWTS fitted.
ORTOLAN BETA STRAIT	29,975	2010	Yangzhou Guoyu (CHN)	German buyer	11.8	Laker. Ice 1C. SS psd 7/20.
LAKE DANY	28,358	2008	Shimanami (JPN)	Charterer	reg 11	Logger. SS psd 10/20.
<b>TANKERS</b>						
ANGEL 62	47,410	2009	Onomichi (JPN)	Spring Marine Management	13	Pump-room. DD due 7/22. No BWTS.
LT CRYSTAL + LT DIAMOND	13,200	both 2021	Dayang Offshore (CHN)	Nanjing Yangyang Chemical Transport	high 16 each	Epoxy. IMO II.
EASTERLY AS OLIVIA	19,981	2007	Usuki (JPN)	Undisclosed buyer	11	Stainless steel. SS due 7/22.
BOW DALIAN + BOW FULING + BOW NANYANG	9,125	2012+2012+2013	Chongqing Chuandong (CHN)	E&S Tankers	8 each	Stainless Steel.

**NEWBUILDING ORDERS**

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
<b>BULKERS</b>						
ICBC FL (for Zhejiang Xiehai Group)	Newcastlemax	210,000 dwt x 2	Cosco Yangzhou (CHN)	2023	63.5	

Nisshin Shipping	Kamsarmax	82,000 dwt x 3	Jiangsu New Hantong (CHN)	2024	34	Tier III. EEDI 2. Scrubber options.
Wisdom Marine	Ultramax	64,000 dwt x 2	Imabari (JPN)	2024	35	
<b>TANKERS</b>						
Compagnie Maritime Belge (CMB)	Chemicals	25,000 dwt x 2+2	China Merchants Jinling (CHN)	2023-2024		St. Steel. Ammonia ready. Declared options on 4/21 firm orders.
Nanjing Yangyang Chemical Transport	Chemicals	13,000 dwt x 2	Dayang Offshore (CHN)	2023		
<b>CONTAINERS / RO-RO / REEFER / PCC</b>						
MSC	Containership	3,700 TEU x 2	Fujian Mawei (CHN)	2023		LOI. Ice 1A. Scrubber.
<b>GAS (LNG/LPG/LAG/CO2)</b>						
Celsius Shipping	LNG	180,000 cbm x 2	Samsung (KRS)	2024		ME-GA M/E. Against long TC.
Capital Gas	LNG	174,000 cbm x 3	Hyundai Samho (KRS)	2023		MEGA M/E, partial reliquefaction. Mark III Flex. Shaft generator.
Maran Gas	LNG	174,000 cbm x 2+2	Daewoo (KRS)	2024	205.5	
PNE Marine Holdings	LNG-Bunkering	5,500 cbm x 1	Fincantieri Bay Shipbuilding (USA)	???		1,375 cbm Type C tanks.

#### Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
<b>VLOC</b>						
BERGE KANGCHENJUNGA	1994 / Japan	263,237	39,000	as-is Singapore	630	Incl sufficient bunkers ROB for final voyage
<b>VLCC</b>						
OMAN PRIDE	1998 / Japan	300,149	38,959	as-is Sohar	527	needs to be cleaned / towed
<b>AFRAMAX</b>						
ETC MENA	2001 / Japan	107,181	16,969	as-is Singapore	650	Gas Free For Hot Works / incl 400 tons of bunkers ROB
<b>LPG CARRIER</b>						
RAMAGAS	1989 / Germany	16,137	6,694	India	680	Some non ferrous materials in

					her tanks incl St-St
<b>CHEMICAL TANKER</b>					
YUHUA STAR	1997 / Japan	16,026	4,600	as-is UAE	1,030/1,040 High St-St content in her tanks

#### Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	620/650	610/620	600/610	350/370
Dry Cargo/Bulk/Tween/Gen Cargo	610/620	600/610	590/600	320/340

#### Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
<b>Tankers</b>			
VLCC	108.5	70	46
SUEZMAX	75	48	32
AFRAMAX	60	40	26
MR	41	28	17.5
<b>Bulkers</b>			
CAPE SIZE	60.5^	41.5	36
KAMSARMAX / PANAMAX	35^	34.5k/32p	25.5k/24p
ULTRAMAX / SUPRAMAX	33^	31u	23.5s
HANDY SIZE	29.5^	26	18.5

^=Chinese price (otherwise based upon Japanese / Korean country of build)

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## CJC Market News



*Campbell Johnston Clark (CJC) is a medium-sized international law firm advising on all aspects of the shipping sector, from ship finance to dry shipping and comprehensive*

*casualty handling, and all that happens in between. Today, we have offices in London, Newcastle, Singapore and Miami.*

## China Invests Further in the Port of Piraeus



On 27 October, the Greek Prime Minister Kyriakos Mitsotakis and Foreign Minister Nikos Dendias met with China's Foreign Minister Wang to discuss Chinese investment in the port of Piraeus. For China, the port of Piraeus is key to its Belt and Road Initiative with the Chinese government ultimately aiming to build infrastructure which would link Asia, Africa and Europe.

According to the Foreign Minister, this is an 'emblematic' project which will help bridge the gap in the trading links between the East and West. The Belt and Road Initiative will strengthen Piraeus' transshipment role and further boost the capacity of China's fast sea-land link with Europe. China is the EU's biggest source of imports and is also its second-largest export market. China and Europe trade on average over 1 billion euros a day, according to the European Commission. Following the meeting, China's COSCO Shipping acquired an additional 16% stake in Piraeus Port Authority resulting in an overall ownership of 67% by COSCO.

Mr Wang said " *We'd like to continue our connection with Europe and the investment at the Piraeus port is part of the hard work we have put in building our ties and in the BRI [Belt Road Initiative]. The investment has created many opportunities for Greece, but also created many job openings for locals as it became the largest port in the Mediterranean. This project is an example of our good relationship.*"

## Hafnia to Acquire Oaktree's Chemical Tankers Inc



Singapore's Hafnia Ltd is to acquire a fleet of 32 IMO type-2 tankers from Oaktree Capital Management's Chemical Tankers INC (CTI). The deal will add to the company's existing fleet of over 200 tankers, bringing the total number of vessels owned by Hafnia to 233. With this acquisition Hafnia will become the world's largest products and chemicals shipping company.

Hafnia's chief executive, Mikael Skov said: " *The addition of the CTI fleet will help enhance our resilience in the face of volatile markets and create a more sustainable and future-proof transportation business that will include the ability to transport methanol, in addition to many other cargoes.*"

Despite some of Hafnia's fleet already being equipped to transport *some* chemicals, Skov added that the move would modernise the company's fleet as he anticipates the transportation of chemicals will have " *a longer footprint going forward.*"

The company stated that the deal would " *complement commercial activities of our current fleet of 201 product tankers by enabling better utilisation of vessels, trading flexibility, limiting ballast time and offering material cost synergies.*"

Hafnia will own or charter 133 tankers after completion, with the rest of the fleet being pool vessels. The average age of vessels under their control will be cut to seven years.

The deal is expected to close prior to February 2022.

## IMO Unveils New Maritime Security Initiative in West Africa



In a recent press briefing, the International Maritime Organization (**IMO**) has stated that a new and innovative programme known as the "IMO Whole of Government Approach to Maritime Security" will be available to assist IMO Member States develop National Maritime Security Committees, Risk Registers and Strategies.

To build on progress already made, Nigeria has stated that it will implement this new programme to further its National Maritime Security Strategy.

The IMO reports that the new programme has been meticulously designed based on its global maritime security experience which includes helping countries implement the IMO's existing maritime security measures, such as the ISPS code. The IMO has indicated that the programme will consist of integrated expert workshops and tailored support through consultancy, subject to available funding, to assist the respective Member State which will in turn, allow for the foundation of effective national maritime security decision making and governance.

Adding to this Peter Adams, the IMO Special Advisor to the Secretary-General on maritime security explained that *"the programme aims to create a cross-government committee that can be aided by the Risk Register to objectively identify security gaps and prioritize where to steer future policy development, funding and capacity building efforts"*. He further stated that it will also lead to the growth of a "National Maritime Security Strategy" allowing the member state to secure its maritime domain in the future. While the programme is aimed at improving security in West Africa, the IMO hopes for the programme to be available in other regions in the future.

The Nigerian state implementing the new programme comes after a recent visit to the IMO Headquarters by the Nigerian Maritime Administration and Safety Agency (**NIMASA**). At the meeting with the IMO, NIMASA stated that there was a 40% reduction of piracy and armed robbery related incidents across the Gulf of Guinea in the first three quarters of this year compared to 2020. In addition, out of the 28 incidents this year, Nigeria accounted for only four – marking a 77% reduction from the past year. The NIMASA director general attributed the reduction in Nigerian piracy to deterrence, enhanced law enforcement and engagement with the local people of the Niger Delta. He also emphasized the value of the regional initiatives and the IMO support to the same.

The press release reports that the collaboration between the IMO and Nigeria will be launched towards the end of 2021 and will complete within an 18 month period. The full press briefing can be read [here](#).

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